

**REPORT OF THE AUDIT OF THE
NICHOLAS COUNTY
FISCAL COURT**

**For The Fiscal Year Ended
June 30, 2001**



EDWARD B. HATCHETT, JR.
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EXECUTIVE SUMMARY
AUDIT EXAMINATION OF THE
NICHOLAS COUNTY FISCAL COURT

For The Fiscal Year Ended
June 30, 2001

The Auditor of Public Accounts has completed the Nicholas County Fiscal Court audit for fiscal year ended June 30, 2001. We have issued an unqualified opinion on the financial statements taken as a whole. Based upon the audit work performed, the financial statements are presented fairly in all material respects.

Financial Condition:

Fund balances decreased by \$6,086 from the prior fiscal year, resulting in a cash surplus of \$718,958 as of June 30, 2001. Revenues decreased by \$23,872 from the prior year and disbursements increased by \$29,806.

Debt Obligations:

Capital lease principal agreements totaled \$267,522 as of June 30, 2001. Future principal and interest payments of \$323,061 are needed to meet these obligations.

Report Comment:

- All County Employees Should Maintain Timesheets

Deposits:

The fiscal court's deposits were insured and collateralized by bank securities or bonds.

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EDWARD B. HATCHETT, JR.
AUDITOR OF PUBLIC ACCOUNTS

To the People of Kentucky

Honorable Paul E. Patton, Governor

Gordon C. Duke, Secretary

Finance and Administration Cabinet

Dana Mayton, Secretary, Revenue Cabinet

Honorable Larry Tincher, Nicholas County Judge/Executive

Members of the Nicholas County Fiscal Court

Independent Auditor's Report

We have audited the accompanying statement of assets, liabilities, and equity arising from cash transactions of Nicholas County, Kentucky, as of June 30, 2001, and the related statement of cash receipts, cash disbursements, and changes in cash balances - all governmental fund types, the combined statement of revenues, expenses, and changes in retained earnings - all non-expendable trust funds, and the combined statement of cash flows - all non-expendable trust funds for the year then ended. These financial statements are the responsibility of the Nicholas County Fiscal Court. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the Nicholas County Senior Citizens Center - Title III B, C, and Homecare Program. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included for the Nicholas County Senior Citizens Center - Title III B, C, and Homecare Program, is based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, and the Audit Guide for Fiscal Court Audits issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.



To the People of Kentucky
Honorable Paul E. Patton, Governor
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Dana Mayton, Secretary, Revenue Cabinet
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As described in Note 1, Nicholas County, Kentucky, prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the modified cash basis and laws of Kentucky which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. All funds used modified cash basis except the non-expendable trust funds.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and equity arising primarily from cash transactions as of June 30, 2001 of Nicholas County, Kentucky, and the revenues received and expenditures paid for the year then ended, in conformity with the modified cash basis of accounting.

In accordance with Government Auditing Standards, we have also issued our report dated November 21, 2002 on our consideration of Nicholas County, Kentucky's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

The accompanying financial information listed as supporting schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of Nicholas County, Kentucky. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Based on the results of our audit, we present the accompanying comment and recommendation, included herein, which discusses the following report comment:

- All County Employees Should Maintain Timesheets

Respectfully submitted,



Edward B. Hatchett, Jr.
Auditor of Public Accounts

Audit fieldwork completed -
November 21, 2002

NICHOLAS COUNTY OFFICIALS

For The Fiscal Year Ended June 30, 2001

Fiscal Court Members:

Larry Tinch	County Judge/Executive
Billy Dixon	Magistrate
Daryl Stacy	Magistrate
Avery Thornsburg	Magistrate
Jeff Randolph	Magistrate
Steve Hamilton	Magistrate

Other Elected Officials:

Donald Bromagen	County Attorney
Billy Mac Gaunce	Jailer
Douglas Fryman	County Clerk
Sandye Watkins	Circuit Court Clerk
Charles Ring	Sheriff
Michelle McDonald	Property Valuation Administrator
Roy Gaunce	Coroner

Appointed Personnel:

Wanda Dotson	County Treasurer
Dana Price	Occupational Tax Collector

STATEMENT OF ASSETS, LIABILITIES,
AND EQUITY ARISING FROM CASH TRANSACTIONS

NICHOLAS COUNTY
STATEMENT OF ASSETS, LIABILITIES,
AND EQUITY ARISING FROM CASH TRANSACTIONS

For The Fiscal Year Ended June 30, 2001

	<u>Governmental Fund Types</u>			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
<u>Assets and Other Resources</u>				
<u>Assets</u>				
Cash and Cash Equivalents	\$ 604,134	\$ 78,126	\$ 36,698	
Restricted Cash-				
Payroll Revolving Account	12,317			
Mutual Funds - Fixed				
Mutual Funds - Equity				
Common Stock				
Total Assets	<u>\$ 616,451</u>	<u>\$ 78,126</u>	<u>\$ 36,698</u>	
<u>Other Resources</u>				
Amounts to be Provided				
In Future Years For:				
Capital Lease	<u>\$ 267,522</u>	<u>\$</u>	<u>\$</u>	
Total Other Resources	<u>\$ 267,522</u>	<u>\$ 0</u>	<u>\$ 0</u>	
Total Assets and Other Resources	<u><u>\$ 883,973</u></u>	<u><u>\$ 78,126</u></u>	<u><u>\$ 36,698</u></u>	

The accompanying notes are an integral part of the financial statements.

NICHOLAS COUNTY
 STATEMENT OF ASSETS, LIABILITIES,
 AND EQUITY ARISING FROM CASH TRANSACTIONS
 For The Fiscal Year Ended June 30, 2001
 (Continued)

Fiduciary Fund Types	Totals (Memorandum Only) Primary Government
Trust and Agency	
\$ 189,387	\$ 908,345
	12,317
1,838,277	1,838,277
166,337	166,337
541,171	541,171
<u>\$ 2,735,172</u>	<u>\$ 3,466,447</u>
<u>\$</u>	<u>\$ 267,522</u>
<u>\$ 0</u>	<u>\$ 267,522</u>
<u><u>\$ 2,735,172</u></u>	<u><u>\$ 3,733,969</u></u>

The accompanying notes are an integral part of the financial statements.

NICHOLAS COUNTY
STATEMENT OF ASSETS, LIABILITIES,
AND EQUITY ARISING FROM CASH TRANSACTIONS
For The Fiscal Year Ended June 30, 2001
(Continued)

	<u>Governmental Fund Types</u>			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
<u>Liabilities and Equity</u>				
<u>Liabilities</u>				
Capital Lease (Note 4)	\$ 267,522	\$	\$	
Payroll Revolving Account	12,317			
Bonds Matured and Unpresented			5,000	
Interest Matured and Unpresented			4,640	
Premium on Called Bonds			100	
	<u> </u>	<u> </u>	<u> </u>	
Total Liabilities	<u>\$ 279,839</u>	<u>\$ 0</u>	<u>\$ 9,740</u>	
<u>Equity</u>				
Retained Earnings:				
Restricted	\$	\$	\$	
Unrestricted				
Fund Balances:				
Reserved	6,174	78,126	26,958	
Unreserved	597,960			
	<u> </u>	<u> </u>	<u> </u>	
Total Equity	<u>\$ 604,134</u>	<u>\$ 78,126</u>	<u>\$ 26,958</u>	
Total Liabilities and Equity	<u>\$ 883,973</u>	<u>\$ 78,126</u>	<u>\$ 36,698</u>	

The accompanying notes are an integral part of the financial statements.

NICHOLAS COUNTY
 STATEMENT OF ASSETS, LIABILITIES,
 AND EQUITY ARISING FROM CASH TRANSACTIONS
 For The Fiscal Year Ended June 30, 2001
 (Continued)

Fiduciary Fund Types	Totals (Memorandum Only)	
	Primary Government	
Trust and Agency		
	\$	267,522
		12,317
		5,000
		4,640
		100
	\$	289,579
	\$	2,735,172
		111,258
		597,960
	\$	3,444,390
	\$	3,733,969

The accompanying notes are an integral part of the financial statements.

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STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN CASH BALANCES - ALL GOVERNMENTAL FUND TYPES

NICHOLAS COUNTY
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN CASH BALANCES - ALL GOVERNMENTAL FUND TYPES

For The Fiscal Year Ended June 30, 2001

	General Fund Types			
	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<u>Cash Receipts</u>				
Schedule of Operating Revenue	\$ 1,951,676	\$ 926,877	\$ 859,145	\$ 33,609
Transfers From Trust Funds	92,043	11,361		
Transfers In	297,937	88,472		166,909
Total Cash Receipts	<u>\$ 2,341,656</u>	<u>\$ 1,026,710</u>	<u>\$ 859,145</u>	<u>\$ 200,518</u>
<u>Cash Disbursements</u>				
Comparative Schedule of Final Budget and Budgeted Expenditures	\$ 2,006,385	\$ 835,039	\$ 779,287	\$ 201,938
Transfers Out	297,937	209,465	88,472	
Capital Lease:				
Principal	38,320	22,679	15,641	
Voted Hospital Bonds:				
Principal	5,100			
Total Cash Disbursements	<u>\$ 2,347,742</u>	<u>\$ 1,067,183</u>	<u>\$ 883,400</u>	<u>\$ 201,938</u>
Excess (Deficiency) of Cash Receipts Over (Under) Cash Disbursements	\$ (6,086)	\$ (40,473)	\$ (24,255)	\$ (1,420)
Cash Balance - July 1, 2000	724,722	434,603	193,163	2,835
Prior Year Outstanding Checks - Voided	322	191		131
Cash Balance - June 30, 2001	<u>\$ 718,958</u>	<u>\$ 394,321</u>	<u>\$ 168,908</u>	<u>\$ 1,546</u>

The accompanying notes are an integral part of the financial statements.

NICHOLAS COUNTY
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
For The Fiscal Year Ended June 30, 2001
(Continued)

General Fund Types		Special Revenue Fund Type		Debt Service Fund Type
Local Government Economic Assistance Fund	Landfill Fund	Phase I Tobacco Fund	Mathers Educational Fund	Voted Hospital Bond Fund
\$ 24,199	\$ 52,729	\$ 50,090	\$ 2,452 80,682	\$ 2,575
	42,556			
\$ 24,199	\$ 95,285	\$ 50,090	\$ 83,134	\$ 2,575
\$ 23,538	\$ 92,593	\$	\$ 73,170	\$ 820
				5,100
\$ 23,538	\$ 92,593	\$ 0	\$ 73,170	\$ 5,920
\$ 661 32,524	\$ 2,692 3,482	\$ 50,090	\$ 9,964 18,072	\$ (3,345) 40,043
\$ 33,185	\$ 6,174	\$ 50,090	\$ 28,036	\$ 36,698

The accompanying notes are an integral part of the financial statements.

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COMBINED STATEMENT OF REVENUES,
EXPENSES, AND CHANGES IN RETAINED
EARNINGS - ALL NON-EXPENDABLE TRUST FUNDS

NICHOLAS COUNTY
COMBINED STATEMENT OF REVENUES,
EXPENSES, AND CHANGES IN RETAINED
EARNINGS - ALL NON-EXPENDABLE TRUST FUNDS

For The Fiscal Year Ended June 30, 2001

	<u>Fiduciary Fund Type</u>
Operating Revenues:	
Interest	\$ 4,751
Dividends	<u>93,168</u>
Total Operating Revenues	<u>\$ 97,919</u>
Operating Expenses:	
Commissions and Fees	\$ 3,770
Other Expense	<u>24</u>
Total Operating Expenses	<u>\$ 3,794</u>
Income Before Nonoperating Revenues (Expenses)	<u>\$ 94,125</u>
Nonoperating Revenues (Expenses):	
Transfer To Fiscal Court	\$ (92,043)
Unrealized Gain on Investments	46,594
Loss on Sale of Investments	<u>(23,586)</u>
Total Nonoperating Expenses	<u>\$ (69,035)</u>
Net Income	\$ 25,090
Retained Earnings - July 1, 2000	<u>2,710,082</u>
Retained Earnings - June 30, 2001	<u><u>\$ 2,735,172</u></u>

The accompanying notes are an integral part of the financial statements.

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COMBINED STATEMENT OF CASH
FLows - ALL NON-EXPENDABLE TRUST FUNDS

NICHOLAS COUNTY
COMBINED STATEMENT OF CASH
FLOWS - ALL NON-EXPENDABLE TRUST FUNDS

For The Fiscal Year Ended June 30, 2001

	<u>Fiduciary Fund Type</u>
Cash Flows From Operating Activities:	
Commissions and Fees	\$ (3,770)
Interest	4,751
Dividends	93,168
Other Expense	<u>(24)</u>
Net Cash Provided by Operating Activities	<u>\$ 94,125</u>
Cash Flows From Noncapital Financing Activities:	
Operating Transfers - To Fiscal Court	<u>\$ (92,043)</u>
Net Cash Used by Noncapital Financing Activities	<u>\$ (92,043)</u>
Cash Flows From Investing Activities:	
Proceeds From Sale of Investments	\$ 680,856
Cost of Assets Purchased	<u>(618,283)</u>
Net Cash Provided by Investing Activities	<u>\$ 62,573</u>
Net Cash Increase	\$ 64,655
Cash and Cash Equivalents - July 1, 2000	<u>124,732</u>
Cash and Cash Equivalents - June 30, 2001	<u><u>\$ 189,387</u></u>

The accompanying notes are an integral part of the financial statements.

NICHOLAS COUNTY
NOTES TO FINANCIAL STATEMENTS

June 30, 2001

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The financial statements of Nicholas County include the funds, agencies, boards, and entities for which the fiscal court is financially accountable. Financial accountability, as defined by Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, as amended by GASB 14, was determined on the basis of the government's ability to significantly influence operations, select the governing authority, participate in fiscal management and the scope of public service. Based upon the criteria stated in GASB 14, management has included the Nicholas County Senior Citizens Center - Title III B, C, and Homecare Program as part of the reporting entity and has included the audit report thereon as Appendix B of this report.

Nicholas County Senior Citizens Center - Title III B, C, and Homecare Program:

The Nicholas County Senior Citizens Center - Title III B, C, and Homecare Program cannot be sued in its own name without recourse to the Nicholas County Fiscal Court, who appoints the Senior Citizens Center's Director. The fiscal court is able to impose its will on the Senior Citizens Center. The Senior Citizens Center is financially accountable to the fiscal court. This component unit is audited by other auditors, and their report is included as Appendix B of this report.

Additional - Nicholas County Constitutional Elected Officials

- Circuit Court Clerk
- County Attorney
- County Clerk
- County Sheriff
- Property Valuation Administrator

The Kentucky constitution provides for election of the above officials from the geographic area constituting Nicholas County. Pursuant to state statute, these officials perform various services for the Commonwealth of Kentucky, its judicial courts, the fiscal court, various cities and special districts within the county, and the board of education. In exercising these responsibilities, however, they are required to comply with state laws. Audits of their financial statements are issued separately and individually and can be obtained from their respective administrative offices.

B. Fund Accounting

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. The government uses funds to report on its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts. Nicholas County Fiscal Court's Fund Types, a definition of each, and county funds included within each fund type are listed below.

NICHOLAS COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2001
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

B. Fund Accounting (Continued)

1) General Fund Type

General Fund Type accounts for all financial resources except those required to be accounted for in another fund type. The Nicholas County General Fund Type includes the following county funds: General Fund, Road and Bridge Fund, Jail Fund, Local Government Economic Assistance Fund, and the Landfill Fund.

2) Special Revenue Fund Type

Special Revenue Fund Type accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for the specified purpose. The Phase I Tobacco Fund and the Mathers Educational Fund of the Fiscal Court are reported as Special Revenue Fund Types.

3) Debt Service Fund Type

Debt Service Fund Type accounts for the accumulation of resources for the payment of general long-term debt principal and interest and includes funds for the Voted Hospital Bond Fund.

4) Fiduciary Fund Type

Fiduciary Fund Type accounts for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. When these assets are held under the terms of a formal trust agreement, either a pension trust fund, a non-expendable trust fund, or an expendable trust fund is used. The terms "non-expendable" or "expendable" refer to whether or not the government is under obligation to maintain trust principal.

Non-expendable trust funds account for revenue expended to carry out the objectives of the trust and for the corpus (principal) of the trust, which must remain intact. The Nicholas County Non-expendable Trust Funds include the following: Mathers Educational Trust Fund and the Knox Hospital Trust Fund.

C. Basis of Accounting

For all fund types, except the non-expendable trust, the county utilizes a modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under this basis of accounting, assets, liabilities, and related revenues and expenditures are recorded when they result from cash transactions, with a few exceptions. This modified cash basis recognizes revenues when received, except for the recording of long-term receivables and deferred revenue. Expenditures are recognized when paid, except for the recording of long-term obligations and amounts to be provided in future years.

NICHOLAS COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2001
(Continued)

C. Basis of Accounting (Continued)

Under an accrual basis of accounting, applied within the non-expendable trust fund type, revenues are recognized in the period earned and expenses are recognized in the period incurred in the process of generating revenues. Investments within the non-expendable trust are stated at fair market value. Fair market value is the amount at which an investment could be exchanged in a current transaction between willing parties. If fair market value is greater than or less than the carrying value, it creates an unrealized gain or loss on investments.

D. Legal Compliance - Budget

The Nicholas County budget is adopted on a cash basis of accounting and according to the laws of Kentucky as required by the State Local Finance Officer. The County Judge/Executive is required to submit estimated receipts and proposed expenditures to the fiscal court by May 1 of each year. The budget is prepared by fund, function, and activity and is required to be adopted by the fiscal court by July 1.

The fiscal court may change the original budget by transferring appropriations at the activity level; however, the fiscal court may not increase the total budget without approval by the State Local Finance Officer. Expenditures may not exceed budgeted appropriations at the activity level.

Formal budgets are not adopted for the non-expendable trust funds because the trust agreements do not require these funds to be budgeted.

E. Cash and Investments

Cash includes amounts in bank accounts, and investments are stated at cost. Investments may include certificates of deposit on the financial statements; however, for the purpose of disclosing credit risk (Note 3), investments exclude certificates of deposit.

KRS 66.480 authorizes the county to invest in the following, including but not limited to, obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation (FDIC) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4).

Note 2. Employee Retirement System

The county has elected to participate in the County Employees Retirement System (CERS), pursuant to KRS 78.530 administered by the Board of Trustees of the Kentucky Retirement Systems. This is a multiple-employer public retirement system which covers all eligible full-time employees. Benefit contributions and provisions are established by statute. Nonhazardous covered employees are required to contribute 5 percent of their salary to the plan. The county's contribution rate for nonhazardous employees was 7.17 percent.

NICHOLAS COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2001
(Continued)

Note 2. Employee Retirement System (Continued)

Benefits fully vest on reaching five years of service for nonhazardous employees. Aspects of benefits for nonhazardous employees include retirement after 27 years of service or age 65.

Historical trend information showing the CERS' progress in accumulating sufficient assets to pay benefits when due is presented in the Kentucky Retirement Systems' annual financial report.

Note 3. Deposits and Investments

A. Deposits

The county maintained deposits of public funds with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC). According to KRS 66.480(1)(d) and KRS 41.240(4), the depository institution should pledge or provide sufficient collateral which, together with FDIC insurance, equals or exceeds the amount of public funds on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement between the county and the depository institution, signed by both parties, that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution. These requirements were met, and as of June 30, 2001, the county's deposits were fully insured or collateralized at a 100% level with collateral of either pledged securities held by the county's agent in the county's name, or provided surety bond which named the county as beneficiary/obligee on the bond.

B. Investments

The county's investments are categorized below to give an indication of the level of risk assumed by the county at year-end. Category 1 includes investments that are insured or registered or the securities are held by the county or by the county's agent in the county's name. Category 2 includes uninsured and unregistered investments where the securities are held by the financial institution in the county's name. Category 3 includes uninsured and unregistered investments where the securities were held by the financial institution, but not in the county's name.

Types of Investments	Category			Carrying Amount	Market Value
	1	2	3		
Cash Equivalents	\$	\$	\$ 189,387	\$ 189,387	\$ 189,387
Mutual Funds - Fixed			1,838,277	1,805,971	1,838,277
Mutual Funds - Equity			166,337	183,952	166,337
Common Stock			541,171	509,267	541,171
Totals	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,735,172</u>	<u>\$ 2,688,577</u>	<u>\$ 2,735,172</u>

NICHOLAS COUNTY
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2001
 (Continued)

Note 4. Capital Lease

- a) The Nicholas County Fiscal Court entered into a lease agreement for \$291,000, with Kentucky Association of Counties Leasing Trust Program, for courthouse renovation, on September 24, 1997. Payments are due monthly and are calculated annually based on the outstanding principal, variable interest rate, and associated fees. The lease is to be paid in full on October 1, 2012. The outstanding principal as of June 30, 2001 was \$240,501. The following indicates scheduled debt service requirements (principal and interest only) for future periods through the end of the lease:

<u>Fiscal Year</u>	<u>Scheduled Interest</u>	<u>Scheduled Principal</u>
2001-2002	\$ 8,650	\$ 17,053
2002-2003	8,003	17,786
2003-2004	7,329	18,552
2004-2005	6,625	19,350
2005-2006	5,891	20,183
2006-2011	17,296	114,922
2011-2013	816	32,655
Totals	<u>\$ 54,610</u>	<u>\$ 240,501</u>

- b) The Nicholas County Fiscal Court entered into a lease agreement, for \$25,915, with Kentucky Association of Counties Leasing Trust Program, for the purchase of an ambulance, on August 1, 1996. The lease is renewable by the county on a fiscal year basis, with five renewal periods. The lease calls for a variable interest rate. The principal balance at June 30, 2001 was \$902.

<u>Fiscal Year</u>	<u>Scheduled Interest</u>	<u>Scheduled Principal</u>
2001-2002	\$ 4	\$ 902

NICHOLAS COUNTY
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2001
 (Continued)

Note 4. Capital Lease (Continued)

- c) The Nicholas County Fiscal Court entered into a lease agreement, for \$87,520, with Kentucky Association of Counties Leasing Trust Program, for the purchase two dump trucks, on January 21, 1998. The lease is renewable by the county on a fiscal year basis, with five renewal periods. The lease calls for a variable interest rate. The principal balance at June 30, 2001 was \$26,119.

<u>Fiscal Year</u>	<u>Scheduled Interest</u>	<u>Scheduled Principal</u>
2001-2002	\$ 788	\$ 16,355
2002-2003	137	9,764
Totals	<u>\$ 925</u>	<u>\$ 26,119</u>

Total principal balance at June 30, 2001, was \$267,522.

Note 5. Flag Maintenance Account

The Nicholas County Fiscal Court established a Flag Maintenance Savings Account in 1996, consisting of contributions from the community. The contributions are to be used to maintain the electric flag on the Nicholas County Courthouse. The balance in this account at June 30, 2001, was \$700.

Note 6. Solid Waste Landfill Closure and Postclosure Costs

Nicholas County Fiscal Court (the County) operated a landfill that began receiving solid waste in September 1970 and continued until December 1991. The County initiated closure operations in April 1992. Closure costs at that time were estimated to be \$72,469 and the County completed the steps necessary to close the landfill in September 1993. The County appears to have met all federal, state, and local laws and regulations with regard to the closure of the landfill. Postclosure care consists primarily of groundwater monitoring and landscape maintenance. The County is required to file reports with the appropriate regulatory agencies regarding the findings of the groundwater monitoring activities. Postclosure costs are estimated to be \$15,000 per year and are paid from the County's annual appropriations. During fiscal year ended June 30, 2001, the county spent \$8,157 in postclosure costs. Inflation, deflation, technology, or applicable laws and regulations could affect the estimated postclosure costs.

NICHOLAS COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2001
(Continued)

Note 7. Non-expendable Trust Funds

The county has two trust funds, the Mathers Education Trust Fund and the Knox Hospital Trust Fund, which were established by the wills of two residents of Nicholas County. The wills imposed that the funds be held in perpetuity, which means that the original principal amount remain intact. The income generated by the principal, less administrative costs, is to be spent for educational expenses of Nicholas County school age children and to promote the general health and welfare of the people of Nicholas County. The county accepts applications for the Mathers Educational Trust Fund and the fiscal court awards the funds based on the applications received. The fiscal court decides how the funds for the Knox Hospital Trust Fund will be disbursed.

COMBINING BALANCE SHEET -
ALL NON-EXPENDABLE TRUST FUNDS

NICHOLAS COUNTY
COMBINING BALANCE SHEET - ALL NON-EXPENDABLE TRUST FUNDS

For the Fiscal Year Ended June 30, 2001

	Totals (Memorandum Only)	Mathers Educational Trust Fund	Knox Hospital Trust Fund
	<u> </u>	<u> </u>	<u> </u>
<u>Assets</u>			
Cash Equivalents - Non-Expendable Trust	\$ 189,387	\$ 186,421	\$ 2,966
Mutual Funds - Fixed	1,838,277	1,656,012	182,265
Mutual Funds - Equity	166,337		166,337
Common Stock	<u>541,171</u>	<u>541,171</u>	<u> </u>
Total Assets	<u>\$ 2,735,172</u>	<u>\$ 2,383,604</u>	<u>\$ 351,568</u>
<u>Equity</u>			
Retained Earnings:			
Reserved	\$ 2,735,172	\$ 2,383,604	\$ 351,568
Unreserved	<u> </u>	<u> </u>	<u> </u>
Total Equity	<u>\$ 2,735,172</u>	<u>\$ 2,383,604</u>	<u>\$ 351,568</u>

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COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS - ALL NON-EXPENDABLE TRUST FUNDS

NICHOLAS COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS - ALL NON-EXPENDABLE TRUST FUNDS

For The Fiscal Year Ended June 30, 2001

	Totals (Memorandum Only)	Mathers Educational Trust Fund	Knox Hospital Trust Fund
<u>Operating Revenues:</u>			
Interest	\$ 4,751	\$ 4,475	\$ 276
Dividends	<u>93,168</u>	<u>81,236</u>	<u>11,932</u>
Total Operating Revenues	<u>\$ 97,919</u>	<u>\$ 85,711</u>	<u>\$ 12,208</u>
<u>Operating Expenses:</u>			
Commissions and Fees	\$ 3,770	\$ 1,979	\$ 1,791
Other Expense	<u>24</u>	<u>24</u>	<u></u>
Total Operating Expenses	<u>\$ 3,794</u>	<u>\$ 2,003</u>	<u>\$ 1,791</u>
Income Before Nonoperating Revenues (Expenses)	<u>\$ 94,125</u>	<u>\$ 83,708</u>	<u>\$ 10,417</u>
Nonoperating Revenues (Expenses):			
Transfer To Fiscal Court	\$ (92,043)	\$ (80,682)	\$ (11,361)
Unrealized Gain (Loss) on Investments	46,594	56,645	(10,051)
Gain (Loss) on Sale of Investments	<u>(23,586)</u>	<u>(24,102)</u>	<u>516</u>
Net Nonoperating Expenses	<u>\$ (69,035)</u>	<u>\$ (48,139)</u>	<u>\$ (20,896)</u>
Net Income (Loss)	\$ 25,090	\$ 35,569	\$ (10,479)
Retained Earnings - July 1, 2000	<u>2,710,082</u>	<u>2,348,035</u>	<u>362,047</u>
Retained Earnings - June 30, 2001	<u><u>\$ 2,735,172</u></u>	<u><u>\$ 2,383,604</u></u>	<u><u>\$ 351,568</u></u>

COMBINING STATEMENT OF CASH
FLows - ALL NON-EXPENDABLE TRUST FUNDS

NICHOLAS COUNTY
COMBINING STATEMENT OF CASH
FLOWS - ALL NON-EXPENDABLE TRUST FUNDS

For The Fiscal Year Ended June 30, 2001

	Totals (Memorandum Only)	Mathers Educational Trust Fund	Knox Hospital Trust Fund
Cash Flows From Operating Activities:			
Commissions and Fees	\$ (3,770)	\$ (1,979)	\$ (1,791)
Interest	4,751	4,475	276
Dividends	93,168	81,236	11,932
Other Expense	(24)	(24)	
Net Cash Provided by Operating Activities	<u>\$ 94,125</u>	<u>\$ 83,708</u>	<u>\$ 10,417</u>
Cash Flows From Noncapital Financing Activities:			
Operating Transfers - To Fiscal Court	<u>\$ (92,043)</u>	<u>\$ (80,682)</u>	<u>\$ (11,361)</u>
Net Cash Used by Noncapital Financing Activities	<u>\$ (92,043)</u>	<u>\$ (80,682)</u>	<u>\$ (11,361)</u>
Cash Flows From Investing Activities:			
Proceeds From Sale of Investments	\$ 680,856	\$ 658,174	\$ 22,682
Cost of Assets Purchased	<u>(618,283)</u>	<u>(595,600)</u>	<u>(22,683)</u>
Net Cash Provided (Used) by Investing Activities	<u>\$ 62,573</u>	<u>\$ 62,574</u>	<u>\$ (1)</u>
Net Cash Increase (Decrease)	\$ 64,655	\$ 65,600	\$ (945)
Cash and Cash Equivalents - July 1, 2000	<u>124,732</u>	<u>120,821</u>	<u>3,911</u>
Cash and Cash Equivalents - June 30, 2001	<u><u>\$ 189,387</u></u>	<u><u>\$ 186,421</u></u>	<u><u>\$ 2,966</u></u>

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COMPARATIVE SCHEDULE OF
BUDGETED TO ACTUAL OPERATING REVENUE

NICHOLAS COUNTY
COMPARATIVE SCHEDULE OF
BUDGETED TO ACTUAL OPERATING REVENUE

For The Fiscal Year Ended June 30, 2001

<u>Budgeted Funds</u>	Budgeted Operating Revenue	Actual Operating Revenue	Over (Under) Budget
<u>General Fund Type</u>			
General Fund	\$ 942,231	\$ 926,877	\$ (15,354)
Road and Bridge Fund	755,504	859,145	103,641
Jail Fund	176,516	33,609	(142,907)
Local Government Economic Assistance Fund	26,400	24,199	(2,201)
Landfill Fund	96,917	52,729	(44,188)
<u>Special Revenue Fund Type</u>			
Panel Master Fund	820,000		(820,000)
Mathers Educational Fund	71,500	2,452	(69,048)
<u>Debt Service Fund Type</u>			
Voted Hospital Bond Fund	3,000	2,575	(425)
Totals	<u>\$ 2,892,068</u>	<u>\$ 1,901,586</u>	<u>\$ (990,482)</u>
<u>Reconciliation</u>			
Total Budgeted Operating Revenue Above			\$ 2,892,068
Add: Budgeted Prior Year Surplus			473,931
Less: Other Financing Uses			<u>(43,420)</u>
Total Operating Budget Per Comparative Schedule Of Final Budget and Budgeted Expenditures			<u>\$ 3,322,579</u>

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SCHEDULE OF OPERATING REVENUE

NICHOLAS COUNTY
SCHEDULE OF OPERATING REVENUE

For The Fiscal Year Ended June 30, 2001

Revenue Categories:	GOVERNMENTAL FUND TYPES			
	Totals (Memorandum Only)	General Fund Type	Special Revenue Fund Type	Debt Service Fund Type
Taxes	\$ 563,609	\$ 562,921	\$	\$ 688
Excess Fees	8,412	8,412		
Licenses and Permits	3,438	3,438		
Intergovernmental Revenues	1,240,250	1,189,955	50,000	295
Charges for Services	45,621	45,621		
Miscellaneous Revenues	35,396	35,396		
Interest Earned	54,950	50,816	2,542	1,592
Total Operating Revenue	<u>\$ 1,951,676</u>	<u>\$ 1,896,559</u>	<u>\$ 52,542</u>	<u>\$ 2,575</u>

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COMPARATIVE SCHEDULE OF
FINAL BUDGET AND BUDGETED EXPENDITURES

NICHOLAS COUNTY
COMPARATIVE SCHEDULE OF
FINAL BUDGET AND BUDGETED EXPENDITURES

For The Fiscal Year Ended June 30, 2001

Expenditure Categories:	GENERAL FUND TYPE		
	Final Budget	Budgeted Expenditures	Under (Over) Budget
General Government	\$ 309,995	\$ 281,098	\$ 28,897
Protection to Persons and Property	269,837	267,365	2,472
General Health and Sanitation	550,225	362,763	187,462
Social Services	21,350	19,028	2,322
Recreation and Culture	55,498	46,000	9,498
Roads	778,835	635,862	142,973
Debt Service	56,180	12,964	43,216
Capital Projects	59,000	59,000	
Administration	291,259	248,315	42,944
Total Operating Budget - General Fund Type	\$ 2,392,179	\$ 1,932,395	\$ 459,784
Other Financing Uses:			
Capital Lease Agreement-			
Principal on Lease	38,320	38,320	
TOTAL BUDGET - GENERAL FUND TYPE	<u>\$ 2,430,499</u>	<u>\$ 1,970,715</u>	<u>\$ 459,784</u>
Expenditure Categories:	SPECIAL REVENUE FUND TYPE		
	Final Budget	Budgeted Expenditures	Under (Over) Budget
General Government	\$ 820,000	\$	\$ 820,000
Social Services	87,850	72,522	15,328
Administration	650	648	2
TOTAL BUDGET - SPECIAL REVENUE FUND TYPE	<u>\$ 908,500</u>	<u>\$ 73,170</u>	<u>\$ 835,330</u>

NICHOLAS COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 For The Fiscal Year Ended June 30, 2001
 (Continued)

Expenditure Categories:	DEBT SERVICE FUND TYPE		
	Final Budget	Budgeted Expenditures	Under (Over) Budget
Debt Service	\$ 5,000	\$ 820	\$ 4,180
Administration	16,900		16,900
Total Operating Budget - Debt Service Fund Type	\$ 21,900	\$ 820	\$ 21,080
Other Financing Uses:			
Voted Hospital Bonds-			
Principal	5,100	5,100	
TOTAL BUDGET - DEBT SERVICE FUND TYPE	\$ 27,000	\$ 5,920	\$ 21,080

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS



**EDWARD B. HATCHETT, JR.
AUDITOR OF PUBLIC ACCOUNTS**

To the People of Kentucky

Honorable Paul E. Patton, Governor
Gordon C. Duke, Secretary
Finance and Administration Cabinet
Dana Mayton, Secretary, Revenue Cabinet
Honorable Larry Tinchler, Nicholas County Judge/Executive
Members of the Nicholas County Fiscal Court

**Report On Compliance And On Internal Control
Over Financial Reporting Based On An Audit Of Financial
Statements Performed In Accordance With Government Auditing Standards**

We have audited the financial statements of Nicholas County, Kentucky, as of and for the year ended June 30, 2001, and have issued our report thereon dated November 21, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Nicholas County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under Government Auditing Standards and which is described in the accompanying comment and recommendation.

- All County Employees Should Maintain Timesheets

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Nicholas County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses.



Report On Compliance And On Internal Control
Over Financial Reporting Based On An Audit Of Financial
Statements Performed In Accordance With Government Auditing Standards
(Continued)

Internal Control Over Financial Reporting (Continued)

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management and is not intended to be, and should not be, used by anyone other than the specified party.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed Hatchett", with a long horizontal flourish extending to the right.

Edward B. Hatchett, Jr.
Auditor of Public Accounts

Audit fieldwork completed -
November 21, 2002

COMMENT AND RECOMMENDATION

NICHOLAS COUNTY
COMMENT AND RECOMMENDATION

For The Fiscal Year Ended June 30, 2001

REPORTABLE CONDITIONS

None.

NONCOMPLIANCE

All County Employees Should Maintain Timesheets

During our test of payroll, we noted not all county employees were maintaining timesheets. Per KRS 337.320(1) each employer shall keep a record of: a) the amount paid each pay period to each employee; b) the hours worked each day and each week by each employee; and c) such other information as the secretary requires. We recommend, in the future, the county comply with KRS 337.320(1), by having all employees maintain timesheets.

County Judge/Executive Larry Tincher's Response:

Will correct.

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CERTIFICATION OF COMPLIANCE -
LOCAL GOVERNMENT ECONOMIC ASSISTANCE PROGRAM

NICHOLAS COUNTY FISCAL COURT

For The Fiscal Year Ended
June 30, 2001


CERTIFICATION OF COMPLIANCE
LOCAL GOVERNMENT ECONOMIC ASSISTANCE PROGRAM
NICHOLAS COUNTY FISCAL COURT

Fiscal Year Ended June 30, 2001

The Nicholas County Fiscal Court hereby certifies that assistance received from the Local Government Economic Assistance Program was expended for the purpose intended as dictated by the applicable Kentucky Revised Statutes.



Larry Tipcher
County Judge Executive



Wanda Dotson
County Treasurer

CPA REPORT OF THE NICHOLAS COUNTY SENIOR CITIZENS CENTER -
TITLE III B, C, AND HOMECARE PROGRAM

NICHOLAS COUNTY SENIOR CITIZENS CENTER
Carlisle, Kentucky

Report of Audit
Title III B, C, and Homecare Program
Contract No. AS-00-01-2015
for the year ended June 30, 2001



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Statement of Program Activity	3
Notes to Financial Statements	4
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**ENGLAND
& HENSLEY**
CERTIFIED PUBLIC ACCOUNTANTS

*Members of the American Institute of CPAs
Members of the Kentucky Society of CPAs*

INDEPENDENT AUDITORS' REPORT

Board of Directors
Nicholas County Senior Citizens Center and the
Nicholas County Fiscal Court
124 East Main Street
Carlisle, KY 40311

We have audited the accompanying financial statements of the Nicholas County Senior Citizens Center's Title III B, C, and Homecare Program, operating on behalf of the Nicholas County Fiscal Court, as of and for the year ended June 30, 2001, as listed in the table of contents. These financial statement is the responsibility of the Center's management. Our responsibility is to express an opinion on these financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in **Government Auditing Standards**, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and program activity of the Nicholas County Senior Citizens Center's Title III B, C and Homecare Program for the year ended June 30, 2001 in conformity with accounting principles generally accepted in the United States of America.

In accordance with **Government Auditing Standards**, we have also issued our report dated August 2, 2001 on our consideration of the Nicholas County Senior Citizens Center's internal control over financial reporting and our tests of its compliance with laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with **Government Auditing Standards** and should be read in conjunction with this report in considering the results of our audit.

England & Hensley

ENGLAND & HENSLEY, CPAs
August 2, 2001

**NICHOLAS COUNTY SENIOR CITIZENS CENTER
TITLE III B, C, AND HOMECARE PROGRAM
BALANCE SHEET
June 30, 2001**

ASSETS

Cash	\$ 19,042
Accounts receivable - BGADD - Title III	2,527
Accounts receivable - BGADD - Homecare	<u>760</u>

Total assets	<u><u>\$ 22,329</u></u>
--------------	-------------------------

LIABILITIES AND FUND BALANCE

Accounts payable - Title III	\$ 2,061
Accounts payable - Homecare	<u>1,576</u>

Total liabilities	<u>3,637</u>
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Fund balance	<u>18,692</u>
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TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 22,329</u></u>
---	-------------------------

The accompanying notes are an integral part
of the financial statements.

**NICHOLAS COUNTY SENIOR CITIZENS CENTER
TITLE III B, C AND HOMECARE PROGRAM
STATEMENT OF PROGRAM ACTIVITY
CONTRACT NUMBER - AS 2000-2001-2015
for the year ended June 30, 2001**

	TITLE III	HOMECARE	TOTAL	APPROVED BUDGET
Personnel	\$ 38,330	\$ 35,257	\$ 73,587	\$ 77,489
Staff Travel	3,958	2,863	6,821	5,436
Supplies	407	1,967	2,374	600
Contracts	-	4,323	4,323	4,162
Consultants	1,300	1,300	2,600	2,400
Other	5,539	1,640	7,179	6,090
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 49,534</u>	<u>\$ 47,350</u>	<u>\$ 96,884</u>	<u>\$ 96,177</u>

CUMULATIVE STATUS OF FUNDS

Federal and state cash	\$ 39,527	\$ 33,696	\$ 73,223	\$ 73,223
Program income	317	400	717	800
Local cash	9,690	13,254	22,944	22,154
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 49,534</u>	<u>\$ 47,350</u>	<u>\$ 96,884</u>	<u>\$ 96,177</u>
Received from BGADD	\$ 43,529	\$ 42,056	\$ 85,585	
Account receivable from BGADD -Federal	2,527	760	3,287	
Program income sent to BGADD	(317)	(400)	(717)	
Local cash sent to BGADD	(6,212)	(8,720)	(14,932)	
	<u> </u>	<u> </u>	<u> </u>	
	<u>\$ 39,527</u>	<u>\$ 33,696</u>	<u>\$ 73,223</u>	

The accompanying notes are an integral part
of the financial statements.

**NICHOLAS COUNTY SENIOR CITIZENS CENTER
TITLE III B, C, AND HOMECARE PROGRAM
NOTES TO FINANCIAL STATEMENTS
for the year ended June 30, 2001**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Nicholas County Senior Citizens Center operates the Title III B, C, and Homecare Programs on behalf of the Nicholas County Fiscal Court. The Nicholas County Fiscal Court is under contract with Bluegrass Area Development District.

Basis of Accounting - The accompanying Statement of Program Activity of the Nicholas County Senior Citizens Center was prepared using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when they are earned and expenses are recognized when they are incurred.

2. PRESCRIBED FORM REPORT

The prescribed form reports on pages 4-8 differs from the statement of program activity in form only. The information presented in the prescribed form report is the same as that reported in the statement of program activity.

Kentucky Cabinet for Human Resources

TITLE III BUDGET & FINANCIAL SUMMARY REPORT

Name: Nicholas County Senior Citizens, Inc.		Contract No.		Mark One:					
Address: 124 East Main Street		AS-2000-2001-2015		<input type="checkbox"/> Original Budget					
Carlisle, KY 40311		Contract Period		<input type="checkbox"/> Revised Budget					
		07/01/2000-06/30/2001		<input type="checkbox"/> Financial Report					
		Report Period		<input checked="" type="checkbox"/> Audited Final Report					
		07/01/2000-06/30/2001		<input type="checkbox"/> Advance					
		Date Submitted							
COST CATEGORY	Area Agency Administration	Supportive Services Title III-B	Congregate Meals Title-III-C1	Home Delivered Meals Title-III-C2	In-Home Services Title III-D	Disease Prev/Health Promotion Title III-F	Total Title III	Approved Title III Budget	% Title III Budget Expended
1. Personnel		29,842	4,618	3,870			38,330	42,172	90.9%
2. Staff Travel		2,918	562	479			3,959	2,636	150.2%
3. Equipment									
4. Supplies		300	58	49			407	300	135.7%
5. Contracts									
6. Consultants		958	184	158			1,300	1,200	108.3%
7. Raw Food									
8. Other		4,090	755	694			5,539	4,612	120.1%
9. Indirect									
10. TOTAL		38,108	6,177	5,250			49,535	50,920	97.3%
Approved Budget		38,206	6,815	5,899			50,920		
% Budget Expended		99.7%	90.6%	89.0%			97.3%		
FUND SOURCE									
CUMULATIVE STATUS OF FUNDS									
Federal & State Cash		29,814	5,250	4,463			39,527	39,527	100.0%
Program Income		318					318	400	79.5%
Local Cash		7,976	927	787			9,690	10,993	88.1%
Local In-Kind									
Other Cash									
TOTAL		38,108	6,177	5,250			49,535	50,920	97.3%
Payment Requested									
CHR USE ONLY FOR PAYMENT REQUEST									
Cumulative-Federal									Date Received _____
State									Date Approved _____
Payment-Federal									
State	EEAA	EEAB	EEAC	EEAD	EEAM	EEAJ			

TITLE III-B SUPPORTIVE SERVICES

NAME Nicholas County Senior Citizens		REPORT PERIOD 7/01/2000 - 06/30/2001	
SERVICES	BUDGETED	EXPENDED	PERCENT EXPENDED
Adult Day			
Adult Day Health			
Advocacy	1,085	1,082	99.70%
Assessment			
Case Management			
*Chore			
Counseling	715	713	99.70%
Education			
Employment Services			
Escort	1,089	1,087	99.80%
*Friendly Visiting	1,058	1,055	99.70%
Health Promotion			
*Home Health Aide			
*Home Repair			
*Homemaker/Home Mgmt.	5,979	5,966	99.80%
*Homemaker/Personal Care			
*I & R	740	738	99.70%
*Legal Assistance			
Ombudsman			
*Outreach	3,892	3,890	99.90%
Recreation			
*Respite			
*Telephone Reassurance	355	354	99.70%
*Transportation	23,293	23,223	99.70%
TOTAL	38,206	38,108	99.70%

*Title III-B services covered under the Minimum Percentage page.

TITLE III-C1 CONGREGATE MEALS
TITLE III-C2 HOME DELIVERED MEALS

[illegible]

Revised 1/93

Kentucky Cabinet for Human Resources

HOME CARE BUDGET & FINANCIAL SUMMARY REPORT

Name: Nicholas County Senior Citizens, Inc		Contract No.		Mark One:	
Address: 124 East Main Street		AS-2000-2001-2015		<input type="checkbox"/> Original Budget <input type="checkbox"/> Revised Budget <input type="checkbox"/> Financial Report <input checked="" type="checkbox"/> Audited Final Rpt <input type="checkbox"/> Advance Date Submitted	
Carlisle, KY 40311		Contract Period 07/01/2000-06/30/2001			
		Report Period			
		07/01/2000-06/30/2001			

COST CATEGORY	Administration	Social Services	Home Delivered Meals	Total	Approved Budget	% Budget Expended
EXPENDITURES						
1. Personnel		28,206	7,051	35,257	35,317	99.8%
2. Staff Travel		2,290	573	2,863	2,800	102.3%
3. Equipment						
4. Supplies		1,574	393	1,967	300	655.7%
5. Contracts			4,323	4,323	4,162	103.9%
6. Consultants		1,040	260	1,300	1,200	108.3%
7. Raw Food						
8. Other		1,312	328	1,640	1,478	111.0%
9. Indirect						
10. TOTAL		34,422	12,928	47,350	45,257	104.6%
Approved Budget		32,876	12,381	45,257		
% Budget Expended		104.7%	104.4%	104.6%		
CUMULATIVE STATUS OF FUNDS						
FUND SOURCE						
Federal & State Cash		26,620	7,076	33,696	33,696	100.0%
Fees and Donations		934		934	400	233.5%
Local Cash		6,868	5,852	12,720	11,161	114.0%
Other income						
TOTAL		34,422	12,928	47,350	45,257	104.6%
Payment Requested						

CHR USE ONLY FOR PAYMENT REQUEST	
Cumulative-Federal State	Date Received
Payment-Federal EECA State EECA	Date Approved

HOMECARE SERVICES

NAME Nicholas County Senior Citizens		REPORT PERIOD 07/01/2000 - 06/30/2001	
SERVICES	BUDGETED	EXPENDED	PERCENT EXPENDED
Assessment	8,902	9,312	104.6%
Case Management	11,224	11,587	103.2%
Chore	385	403	104.7%
Escort	1,004	1,050	104.6%
Home Delivered Meals	4,162	4,323	103.9%
Meal Service	8,219	8,792	107.0%
Home Management	4,655	4,869	104.6%
Home Repair	-	-	0%
Personal Care	5,157	5,394	104.6%
Respite	1,549	1,620	104.6%
TOTAL	45,257	47,350	104.6%

**NICHOLAS COUNTY SENIOR CITIZENS CENTER
TITLE III B, C, AND HOMECARE PROGRAM
INDEPENDENT AUDITORS' REPORT ON
COMPLIANCE AND INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON A FINANCIAL STATEMENT AUDIT PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
Nicholas County Senior Citizens Center and the
Nicholas County Fiscal Court
124 East Main Street
Carlisle, Kentucky 40311

We have audited the accompanying financial statements of Nicholas County Senior Citizens Center's Title III B, C, and Homecare Program, operating on behalf of Nicholas County Fiscal Court, as of and for the year ended June 30, 2001 and have issued our report thereon dated August 2, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in **Government Auditing Standards**, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Nicholas County Senior Citizens Center's statement of program activity is free of material misstatement, we performed tests of the Center's compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under **Government Auditing Standards**.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Nicholas County Senior Citizens Center's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the statement of program activity and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over financial reporting and its operations that we consider to be a material weakness.

This report is intended solely for the information and use of the Board of Directors, management and appropriate grantor agencies and is not intended to be and should not be used by anyone other than these specified parties.

England & Hensley

ENGLAND & HENSLEY, CPAs
August 2, 2001

